

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 NSC-05 SS-15

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FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7129

INFO AMEMBASSY LONDON

AMEMBASSY BRUSSELS

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E.O. 11652: N/A

TAGS: EAIR, FR, US

SUBJECT: CIVAIR: BILATERAL PROBLEMS

1. DURING MEETING AUGUST 12 WITH ESPEROU OF DGAC, DISCUSSION TOUCHED ON QUESTION OF NATIONAL'S APPLICATION TO CAB FOR EXTENSION OF ITS MIAMI-PARIS AUTHORITY. WE NOTED THAT WE HAD HAD NO READING AS YET OF USG POSITION. ESPEROU ACKNOWLEDGED THAT DGAC PROCESSING OF APPLICATION FOR GOF APPROVAL, SHOULD EXTENSION BE APPROVED BY CAB, WAS LIKELY TO BE PRO FORMA EXERCISE, THOUGH HE RECALLED AGAIN DIFFICULTIES WHICH SECSTATE OF TRANSPORTATION CAVAILLE HAD GIVEN DGAC AFTER THE FACT FOR HAVING APPROVED NATIONAL SERVICE IN THE FIRST PLACE BECAUSE OF CAVAILLE'S SENSITIVITY OVER CONCORDE ISSUE.

2. RECALLING GOF POSITION STATED IN ITS AIDE-MEMOIRE OF LAST JUNE (PARIS 17845), WE ASKED WHAT ACTION GOF MIGHT TAKE IF NATIONAL AUTHORITY WERE IN FACT EXTENDED AND WHAT THE TIMING OF SUCH ACTION MIGHT BE. ESPEROU SAID HE COULD NOT RESPOND CATEGORICALLY AT THIS STAGE, ESPECIALLY SINCE WE WERE ADDRESSING WHAT WAS STILL A HYPOTHETICAL

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SITUATION, BUT HE THOUGHT IT LIKELY THIS WOULD BE ONE OF THE QUESTIONS ADDRESSED DURING TALKS "TO TAKE PLACE" EARLY NEXT YEAR. BILATERAL TALKS WOULD BE NECESSARY THEN, HE SAID, IN VIEW OF NEED TO SETTLE PERMANENTLY THE TORONTO-NICE QUESTION AND ALSO IN VIEW OF WHAT GOF SAW AS LIKELIHOOD THAT PANAM WOULD RESUME SCHEDULED SERVICE TO PARIS.

3. DURING THIS MEETING WE TOOK OCCASION TO OUTLINE TO ESPEROU IN DETAIL THE POINTS MADE IN STATE 155848 RE BERMUDA II AGREEMENT. (WE HAD NOT DONE SO EARLIER SINCE ESPEROU WAS ABSENT ON VACATION). ESPEROU DID NOT COMMENT IN SUBSTANCE ON THIS PRESENTATION, NOTING THAT MUCH OF INFO WAS KNOWN THROUGH THE PRESS AND, ANYWAY, BRITISH HAD BEEN MOST DILIGENT IN KEEPING THE FRENCH INFORMED. HE WENT ON TO SAY, HOWEVER, THAT FRENCH WERE IN A QUITE DIFFERENT POSITION FROM THE BRITISH INASMUCH AS FRANCE PRESENTLY OUTCARRIED US UNDER THE BILATERAL. THIS SITUATION WOULD CHANGE, HOWEVER, IF FRANCE FOUND ITSELF CONFRONTED WITH THREE US CARRIERS ON TRANSATLANTIC ROUTES--TWA, PANAM AND NATIONAL--AND IT WAS ESSENTIALLY THIS SITUATION THAT GOF WOULD SEEK TO REDRESS IN ANY FUTURE TALKS THAT MIGHT BE NECESSARY.

4. WE RAISED THE SUBJECT OF CHARTERS, NOTING MENTION IN BERMUDA II OF AN EVENTUAL MULTILATERAL CHARTER AGREEMENT. ESPEROU SAID THAT GOF PREOCCUPATION THESE DAYS WAS ESSENTIALLY WITH THE BELGIAN PROBLEM, SINCE IT LOOKED AS IF BELGIANS HAD "SOLD OUT" TO US AND MUCH OF FRENCH TRAFFIC WOULD BE DIVERTED THROUGH BELGIUM. WE ASKED WHY GOF DID NOT RELAX ITS OWN CHARTER RULES AND GET AWAY FROM ITS FIXATION WITH MINIMUM PRICES, FOR EXAMPLE, SINCE AIR FRANCE SEEMED TO HAVE NEITHER THE LIMITED OFFICIAL USE

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EQUIPMENT NOR THE INCLINATION TO BECOME MORE ACTIVE IN CHARTER TRAFFIC. ADMITTING THAT THIS WAS AN ACCURATE DESCRIPTION OF AIR FRANCE ATTITUDE, ESPEROU SAID THAT IF GOF EASED ITS CHARTER RULES AND ATTRACTED MORE CHARTER TRAFFIC TO PARIS THE ONLY BENEFICIARY WOULD BE AEROPORT DE PARIS THAT WOULD COLLECT THE LANDING FEES. (WE CITED FOREIGN EXCHANGE BENEFIT RESULTING FROM INFLUX OF MORE TOURISTS,BUT ESPEROU POOH-POOHED THIS, PROVIDING FURTHER EVIDENCE, IF IT WERE NEEDED, OF HOW DIFFICULT IT IS TO EXPLOIT FOREIGN EXCHANGE/TOURISM ARGUMENT WITH FRENCH CIVIAIR AUTHORITIES). ESPEROU SEEMED TO HAVE NO BURNING INTEREST IN A MULTILATERAL CHARTER AGREEMENT.

5. IN ADDITION TO FOREGOING, WE SHOULD ALERT DEPT. THAT IN ANY FUTURE BILATERAL TALKS, GOF MIGHT SEIZE ON BERMUDA II AS EXCUSE TO PLACE IN QUESTIONS CERTAIN FIFTH FREEDOM RIGHTS ENJOYED BY US CARRIERS IN FRANCE. WE HAVE LEARNED FROM TWA (AND ALSO DIRECTLY FROM AIR FRANCE) THAT AIR FRANCE AND DGAC ARE CONCERNED OVER VOLUME OF TRAFFIC TWA CARRIES BETWEEN PARIS AND TEL AVIV. WE ARE TOLD THIS IS SUBJECT ON WHICH AIR FRANCE AND EL AL HAVE ALSO PUT THEIR HEADS TOGETHER. HARTMAN

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## Message Attributes

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